

AMENDED IN SENATE MARCH 29, 2005

SENATE BILL

No. 1089

Introduced by Senator Maldonado

February 22, 2005

~~An act to amend Section 11750 of the Insurance Code, relating to workers' compensation insurance. An act to add Section 12908 to the Insurance Code, relating to insurance.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 1089, as amended, Maldonado. ~~Workers' Compensation Insurance.~~

Existing law provides for the election of an Insurance Commissioner who shall control the Department of Insurance. Existing law also provides that neither the commissioner nor any deputy or employee of the department during his or her tenure of office shall be an officer, agent or employee of an insurer or directly or indirectly interested in any insurer or licensee except as a policyholder, as specified.

This bill would provide that, on and after January 9, 2007, no person who serves as the commissioner may, within 5 years of leaving that office, serve as an officer, agent, or employee of an insurer or contract with an insurer, law firm, or other business to provide legal, consulting, or lobbying services on any matter before the Legislature or the department.

~~Existing law generally regulates workers' compensation insurance and provides that provisions relating to ratings and other organizations are intended to promote the public welfare by authorizing and regulating their cooperation with insurers.~~

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 ~~SECTION 1. Section 11750 of the Insurance Code is~~
2 ~~amended to read:~~

3 *SECTION 1. Section 12908 is added to the Insurance Code,*
4 *to read:*

5 *12908. Effective on and after January 9, 2007, no person who*
6 *serves as the Insurance Commissioner may, within five years of*
7 *leaving that office, serve as an officer, agent, or employee of an*
8 *insurer or contract with an insurer, law firm, or other business to*
9 *provide legal, consulting, or lobbying services on any matter*
10 *before the Legislature or the department.*

11 ~~11750. (a) The purpose of this article is to promote the public~~
12 ~~welfare by regulating concert of action between insurers in~~
13 ~~collecting and tabulating rating information and other data that~~
14 ~~may be helpful in the making of adequate pure premium rates for~~
15 ~~workers' compensation insurance and for employers liability~~
16 ~~insurance incidental thereto and written in connection therewith~~
17 ~~for all admitted insurers and in submitting the rates to the~~
18 ~~commissioner for approval; to authorize and regulate the~~
19 ~~existence and cooperation of qualified rating organizations to one~~
20 ~~of which each workers' compensation insurer shall belong; to~~
21 ~~authorize and regulate cooperation between insurers, rating~~
22 ~~organizations and advisory organizations in ratemaking and other~~
23 ~~related matters to the end that the purposes of this chapter may be~~
24 ~~complied with and carried into effect.~~

25 ~~(b) Notwithstanding any other provision of law, within 60~~
26 ~~days of receiving an advisory pure premium rate filing made~~
27 ~~pursuant to subdivision (b) of Section 11750.3, the Insurance~~
28 ~~Commissioner shall hold a public hearing, and within 30 days of~~
29 ~~the conclusion of the hearing, approve, disapprove, or modify the~~
30 ~~proposed rate.~~